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Sustainability Problems and Solutions  
Matrix Part 1- Emissions Trading  
Word Count- 586

### Post

Emissions trading, or the trading of carbon emissions, is a new process sprouting up in advanced countries, such as the United States, countries in Europe, and Australia and New Zealand. The idea behind emissions trading is that each company has a cap on how many carbon emissions they can emit per year, quarter, etc. and if they go over this cap, they can trade emissions with other companies who were below their cap, in turn trading money and wealth for pollution. The schema behind the system is carbon emissions are bought by companies in units, and there is a net total after a certain period to see if that company has exceeded or gone under those units that they own. They can then trade with other companies in order to even out the pollution. According to the United Nations Framework Convention on Climate Change, the companies' target is their "assigned amount units" or AAUs, these come in the trading form of "removal units" (RMUs) which is essentially gaining a point, such as replanting trees, there are emission reduction units (ERUs) that a company can earn by implementing a joint project on reducing emissions. The trading then begins between these assigned units that detriment the environment and these "earned" units. (United Nations)

The flaws behind this mindset and system are; there is a financial motivation behind trading the emission units so that a company with more money can gain in the field of economic prowess and get an edge on the market. Secondly, emissions trading is encouraging the thought of buying credits to pollute rather than clean up, if a company has the money and resources to do so. In essence, it evokes laziness in companies that have the capacity to do so; if a company can get away with buying more units from another company, then they get away with polluting a waterway that a community may depend on, for example. (Beder, Sharon)

Furthermore, there is a flaw in the measuring of emissions throughout different countries and different parts of the world. For example, in industrious settings, emissions are measured by directly measuring CO<sub>2</sub> output, while other facilities such as electrical companies, a calculation is done in order to predict the energy output and from that, the CO<sub>2</sub> being emitted by that company or factory. Currently, there is also not set measurement on how to measure outputs and emissions from agricultural outputs. (Hoag, Hannah)

According to Spiegel Online, the current emissions trading system in place has all the right parts, they're just not being assembled correctly. In other words, the system is still working out the kinks itself as time progresses and companies balance the system out, and the European system is still looking to meet its goals for 2013. However the main concern behind this system remains the mindset of financial gain over a sense of sustainability as an overarching goal rather than a selling point. This is due to the corporation economic and financial-gain mindset that drives corporations to produce and manufacture parts for progress and a step up on the competition. While this mindset is the main driving

factor and it may not be fully environmental, in order for the system to work, there must be a balance. So in order for the system to work itself out fully, there must be some switch to go off that the environmental gains must outweigh the financial gains in the light of emissions trading, while manufacturing and output can still be financially driven. (Stonington, Joel)

### Bibliography

- 1) Beder, Sharon. "Trading the Earth: The politics behind tradable pollution rights," *Environmental Liability*, (9)2, 2001, pp. 152-160. 05 November 2012.
- 2) "Emissions Trading." United Nations Framework Convention on Climate Change. 2012. Web. 05 November 2012.  
<[http://unfccc.int/kyoto\\_protocol/mechanisms/emissions\\_trading/items/2731.php](http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php)>
- 3) Hoag, Hannah. "The problems with emissions trading." *Nature*. 25 November 2011. Web. 05 November 2012. <<http://www.nature.com/news/the-problems-with-emissions-trading-1.9491>>
- 4) Stonington, Joel. "Is Europe's Emissions Trading System Broken?" *Spiegel Online*. 2012. Web. 05 November 2012. <<http://www.spiegel.de/international/europe/europe-looks-to-fix-problems-with-its-carbon-emissions-trading-system-a-863609.html>>

### Annotations

- 1) **i) Full citation.** Beder, Sharon. "Trading the Earth: The politics behind tradable pollution rights," *Environmental Liability*, (9)2, 2001, pp. 152-160.  
**ii) Where does the author work, what else has s/he written about, and what are her/his credentials?** Sharon Beder is a professor in the Arts at the University of Wollongong, New South Wales, Australia. Her focus is mainly on environmental politics and science and technology studies. Her credentials besides completing ten books are completing a PhD in Science and Technology Studies at the University of New South Wales.  
**iii) What is the main topic or argument of the text?** The main argument of this excerpt are the politics behind emissions trading and the motivation of corporations to trade emissions.  
**iv) Describe at least three ways that the main topic or argument is fleshed out.** The argument is fleshed out by citing the origins and initial mindsets of emissions trading, the setting of caps from those ideas and the flaws behind the financial-gain mindset of corporations that have led to the complications seen with the system today.  
**v) What three quotes capture the critical import of the text?** "With allowance trading a prespecified number of allowances is allocated or auctioned off to polluters. The total allocation can be based on the estimated capacity of the environment to take a certain amount of pollution." "If a trading scheme is based on an initial free allowance based on past emissions, it is in the interests of polluting companies to put out as much greenhouse gases as possible in the next few years prior to such a trading scheme being introduced." "The real and potential benefits of tradable pollution rights are ideological and financial rather than environmental."

They were developed to reduce the costs of environmental protection to industry, to enable continued economic growth and to keep decision-making power in the hands of industry.”

**vi) Explain how the argument and evidence in the text supports your research focus.** The main argument in the text supports the argument of the write up in that it supports the idea of corporations trading emissions for financial gain rather than actually caring about environment clean up.

**vii) List at least two details or references from the text that you have used in your presentation and wiki post.** Two details include the idea of corporations focusing solely on buying units rather than bothering to actually clean up, and more importantly, the ideology behind emissions trading for economic status.

- 2) **i) Full citation:** “Emissions Trading.” United Nations Framework Convention on Climate Change. 2012. Web. 05 November 2012.

<[http://unfccc.int/kyoto\\_protocol/mechanisms/emissions\\_trading/items/2731.php](http://unfccc.int/kyoto_protocol/mechanisms/emissions_trading/items/2731.php)>

**ii) Where does the author work, what else has s/he written about, and what are her/his credentials?** The author of this article is unknown, however the author does work for the United Nations or was sought out by the United Nations to write this excerpt.

**iii) What is the main topic or argument of the text?** The main topic of the text is the protocol for emissions trading, and the overall arching ideas of the trading and the units involved. The excerpt goes into detail about the Kyoto Protocol, which is one of the methods used by countries to trade their CO2 emissions.

**iv) Describe at least three ways that the main topic or argument is fleshed out.** The topic is fleshed out by simple definitions and outlines covering topics such as the units used on the market, the overall schema of emissions trading and the overall idea behind emissions trading.

**v) What three quotes capture the critical import of the text?** The text is pretty straightforward with definitions and quoting it, therefore becomes obsolete, but it’s definitions are the of main importance in this write-up.

**vi) Explain how the argument and evidence in the text supports your research focus.** This text is vital in this focus of research in that it provides the definition for terms used throughout the argument of the write-up.

**vii) List at least two details or references from the text that you have used in your presentation and wiki post.** The main details taken from this text were the definitions for the different units used in emissions trading: AAUs, RMUs and ERUs.

- 3) **i) Full citation.** Hoag, Hannah. “The problems with emissions trading.” *Nature*. 25 November 2011. Web. 05 November 2012. <<http://www.nature.com/news/the-problems-with-emissions-trading-1.9491>>

**ii) Where does the author work, what else has s/he written about, and what are her/his credentials?** Hannah Hoag is a freelance journalist who focuses mainly on articles featured in *Nature*, *Discover*, *National Geographic*, etc. She has written articles mainly involved in nature, climate, science, and budgets within those topics. Her credentials besides being a freelance journalist for these mainstream magazines are a Bachelor’s Degree in Life Sciences from Queen’s University, Kingston, Ontario and a Master’s of Science Degree in Science and Medical Journalism from Boston University.

**iii) What is the main topic or argument of the text?** The main argument of the article is the Canadian Emissions Trading System, comparing it to those around the world, and focusing mostly on the flaws of the system current system and where it is heading, solution-wise.

**iv) Describe at least three ways that the main topic or argument is fleshed out.** The main argument is fleshed out by giving the facts: she cites a source from the auditor-general that the system in place is in fact failing. She then goes into a detailed definition of carbon trading throughout the world and how the Canadian system compares to those. She then goes into specifics; how the energy and emissions are measured and the flaws behind that system. She caps up the article by giving suggestions for improvements to the system and how focusing on measurement could be a flawed system.

**v) What three quotes capture the critical import of the text?** “Not all greenhouse-gas emissions are measured in the same way — or with the same level of accuracy.” “The Alberta report found a lack of standards for how agricultural credits were verified — not one of the credits the auditors checked could be confirmed.” “Discussions about how to improve emissions trading schemes have often focused on better measurement, reporting and verification. Better satellite technology, for example, could provide more accurate CO<sub>2</sub> emissions measurements.”

**vi) Explain how the argument and evidence in the text supports your research focus.** This article supports the focus of the write-up in that it gives a specific example in that of Canada’s emissions trading system and specifically how and where that system is failing—in measuring the accuracy of the emissions. This is one of the main arguments of the write-up in that it is a specific example of the flaws taking place in emissions trading.

**vii) List at least two details or references from the text that you have used in your presentation and wiki post.** Two details used from this source are the two sources of inaccuracy in measurements, specifically the calculations of CO<sub>2</sub> emissions from electricity versus the actual measurements of CO<sub>2</sub>. Also, the lack of ability to measure agricultural outputs and emissions.

- 4) **i) Full citation.** Stonington, Joel. “Is Europe’s Emissions Trading System Broken?” Spiegel Online. 2012. Web. 05 November 2012. <<http://www.spiegel.de/international/europe/europe-looks-to-fix-problems-with-its-carbon-emissions-trading-system-a-863609.html>>

**ii) Where does the author work, what else has s/he written about, and what are her/his credentials?** Joel Stonington is a German freelance journalist who has appeared in major magazines such as *Businessweek*, the *Wall Street Journal*, and *New York Times*.

**iii) What is the main topic or argument of the text?** The main argument of this article is that European’s Emissions Trading System is failing, but is working itself out in progress and may be on track to meet its initial goals set out for 2013.

**iv) Describe at least three ways that the main topic or argument is fleshed out.** The main argument is fleshed out by setting out the table of what is currently going on, and the proposed solutions for those outlined problems. Lastly, Stonington optimizes the 2013 goals set out by the ETS.

**v) What three quotes capture the critical import of the text?** “The simple fact is that the most important tool in Europe’s fight against climate change needs a major fix. When it was introduced in 2005, the idea was to make pollution expensive.” “The regime, known as the

Emissions Trading System (ETS), is now entering a third phase intended to begin the process of reducing the number of credits available, thus forcing prices up and pollution down.” “All of this, however, should not suggest that the system is broken entirely. The conversation about the cost of carbon in Europe is firmly entrenched in boardrooms. The biggest producers of greenhouse gases are part of the program with an expected 50 percent of the EU emissions part of the plan by 2013.”

**vi) Explain how the argument and evidence in the text supports your research focus.** The argument and evidence presented in this article is significant to the write-up in that it shows the current standing of the European Trading System, where it is projected to be going and the current solutions in progress to address the main problems of the system.

**vii) List at least two details or references from the text that you have used in your presentation and wiki post.** Two main details used from this article were the speculation that the ETS is on par to meet some of its 2013 goals and that mainly, the system of Emissions Trading is a good idea, but with kinks still being worked out.